

2014-121 AUDIT SCOPE AND OBJECTIVES

University of California, Davis—Strawberry Breeding Program

The audit by the California State Auditor will provide independently developed and verified information related to the Strawberry Breeding Program's (breeding program) management and operations, and will include, but not be limited to, the following:

1. Review and evaluate the laws, regulations, contract provisions, and policies and procedures significant to the audit objectives.
2. Determine which entities are involved in overseeing the breeding program's financial operations and perform the following:
 - (a) Identify the roles and responsibilities of each oversight entity including, but not limited to the University of California Regents, University of California, Davis' (UC Davis) College of Agriculture and Environmental Sciences (AES), and the AES breeding program.
 - (b) Determine how UC Davis and AES monitor the breeding program's financial operations to ensure it complies with relevant laws, rules, and regulations.
 - (c) To the extent possible, determine how many audits of the breeding program have been conducted since 1955. For a selection of audits completed in the past five years, assess the following:
 - i. Whether each audit was reviewed and approved by an authorized person or entity.
 - ii. Whether each audit examined funding sources and uses and funds expended for nonbreeding program purposes.
 - iii. Whether each audit examined payments to strawberry breeders and other UC Davis personnel.
3. Review and assess the adequacy of financial policies and procedures the breeding program followed for the most recent three-year period. In addition, perform the following:
 - (a) Determine whether the breeding program's policies and practices ensure it collects all revenues and accurately records and reports them.
 - (b) Determine how much the breeding program budgeted for salary and travel expenditures for the most recent three-year period and whether those expenditures were reasonable.
 - (c) Determine whether the breeding program has maximized its cost savings opportunities.

4. Determine whether expenditures of funds received from the California Strawberry Commission by UC Davis, AES, and the breeding program are appropriate, and whether those entities are meeting all their responsibilities in the use of those funds.
5. Review and assess the UC Davis' intellectual property policies and procedures that apply to the breeding program, including the following:
 - (a) Determine whether the plants, or cultivars, the breeding program develops are protected as intellectual property and what those protections are.
 - (b) Determine who owns the plants, or cultivars, the breeding program develops and what ownership rights the breeding program staff may have to the plants, or cultivars, they develop.
6. Determine whether the breeding program is subject to a conflict-of-interest law or policy and whether conflicts have been identified and addressed.
7. Review and assess any other issues that are significant to the policies and procedures of the breeding program's management and operations.